# Message Text

#### CONFIDENTIAL

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INFO OCT-01 EUR-12 ISO-00 EB-08 /031 W

-----291142Z 107766 /13

R 290618Z JAN 77

FM USINT BAGHDAD

TO SECSTATE WASHDC 4091

USDOC WASHDC

INFO AMEMBASSY ABU DHABI

AMEMBASSY ATHENS

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MUSCAT

AMEMBASSY MANAMA

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ATHENS FOR RTDO

E.O. 11652: GDS

TAGS: BEXP, BTRA, CUIS, IZ

SUBJECT: IRAQ, USDOC WATER RESOURCES TRADE MISSION --

LESSONS LEARNED

REF: BAGHDAD 0167

1. SUMMARY: USDOC-SPONSORED WATER RESOURCES TRADE MISSSION TO IRAQ JANUARY 18-23 PROVIDED SEVERAL "LESSONS LEARNED" TO BE APPLIED TO FUTURE TRADE PROMOTION EVENTS IN IRAQ. MOST IMPORTANTLY, LAST MINUTE SUBSTITUTIONS RISK CAUSING POLITICAL EMBARRASSMENT, AND USINT STRONGLY RECOMMENDS AGAINST THEM IN THE FUTURE. LESSONS LEARNED ARE DETAILED BELOW. END SUMMARY.

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2. LAST MINUTE SUBSTITUTIONS. THE UNEXPECTED PRESENCE OF A LEBANESE CITIZEN, NOW RESIDENT IN DAMASCUS, IN USG SPONSORED TRADE MISSION CAUSED CONSIDERABLE EMBARRASSMENT BOTH TO GOI AND TO USINT. THE GOI FOUND OBJECTIONABLE THE PARTICIPATION OF FARID SAFADI WHO WAS A LAST MINUTE REPLACEMENT FOR JOHNS-MANVILLE REPRE-

SENTATIVE JOHN HALDEMAN. AS AN ARAB, SAFADI THEORETICALLY DID NOT NEED A VISA TO ENTER IRAQ BUT IRAQI AUTHORITIES CLAIM TO HAVE FORCIBLY DEPORTED HIM TWO YEARS AGO FOR HIS ALLEGED INVOLVEMENT IN A SECURITY CASE, BEFORE SAFADI'S ARRIVAL NEITHER USINT NOR GOI WAS AWARE THAT SAFADI WAS NOT AMERICAN CITIZEN AND GOI HAS INFORMALLY MADE CLEAR TO US THAT IT NATURALLY PRESUMED THAT A US GOVERNMENT SPONSORED TRADE MISSION WOULD HAVE U.S. CITIZENS AS ITS MEMBERS. GOI ALLOWED SAFADI TO PARTICIPATEIN TRADE MISSION BUT KEPT HIM UNDER SURVEILLANCE. LESSON LEARNED: IN FUTURE, LISTS OF PARTICIPANTS IN THE U.S. TRADE PROMOTION EVENTS SHOULD GIVE CITIZENSHIP SO USINT CAN FORWARD INFORMATION TO GOI FOR CLEARANCE IN ADVANCE OF MISSION'S ARRIVAL. GOI IS UNLIKELY TO ACCEPT LAST MINUTE CHANGES IF IT DOES NOT HAVE TIME TO CHECK OUT MEMBERS IN ADVANCE.

3. SIZE. TWELVE MEMBER TRADE MISSION STRAINED USINT RESOURCES BOTH IN TERMS OF LOGISTICS AND THE ARRANGEMENT OF APPOINTMENTS FOR TRADE MISSION MEMBERS. LESSON LEARNED: USINT RECOMMENDS TRADE PROMOTION EVENTS BE LIMITED TO 6 - 8 MEMBERS MAXIMUM.

4. USDOC VS. IOGA MISSION. WATER RESOURCES TRADE MISSION WAS FIRST U.S. GOVERNMENT SPONSORED CONFIDENTIAL

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TRADE EVENT WHICH GOI HAS APPROVED. IN ADDITION TO THIS FIRST, IT PROVIDED OCCASION FOR GOI OFFICIAL (CHIEF ENGINEER, MINISTRY OF IRRIGATION) TO ATTEND OFFICIAL SOCIAL FUNCTION HOSTED BY USINT PRINCIPAL OFFICER. THIS IS FIRST TIME SINCE BREAK IN RELATIONS IN 1967 THAT A GOI OFFICIAL HAS ATTENDED SOCIAL EVENT GIVEN BY AN AMERICAN DIPLOMAT. MOREOVER, OFFICIAL GOI SPONSORSHIP OPENED DOORS TO SEVERAL OFFICIALS AT DIRECTOR GENERAL LEVEL AND HIGHER WHO WOULD PROBABLY NOT OTHERWISE HAVE BEEN AVAILABLE. MAJOR DIFFERENCE BETWEEN USDOC SPONSORED TRADE MISSION AND PREVIOUS FOUR IOGA TRADE MISSIONS IS THAT GOI INSISTED ON MAKING ALL GOVERNMENT APPOINTMENTS FOR USDOC TRADE MISSION, AND DID NOT DELIVERY SCHEDULE UNTIL NOON ON DAY OF ARRIVAL OF MISSION. WE UNDERSTAND THAT FOREIGN MINISTRY PROTOCOL SECTION FOUND SCHEDULING BURDEN IRKSOME, LESSON LEARNED: OFFICIAL USG SPONSORED TRADE PROMOTION ACTIVITIES HAVE DISTINCT

ADVANTAGES BUT IRAQIS ARE LIKELY TO BE RECEPTIVE TO THEM ONLY OCCASIONALLY. TRADE PROMOTION EVENTS PROBABLY SHOULD CONTINUE TO EMPHASIZE PRIVATE SECTOR TRADE PROMOTION VEHICLES, SUCH AS IOGAS, WHICH MINIMIZE GOI LOGISTICAL BURDENS.

5. RECRUITMENT. IRAQI MARKET HAS SEVERAL PECULIARITIES, LISTED BELOW, WHICH SOULD BE KEPT IN MIND IN RECRUITING FOR FUTURE TRADE PROMOTION EVENTS:

-- RECENT IRAQI PROBLEMS WITH TWO SMALL AMERICAN COMPANIES (STARCO AND INTERNATIONAL DISC) HAVE REINFORCED THEIR INCLINATION TO DEAL WITH BLUE CHIP U.S. FIRMS; ALTHOUGH USDOC RECRUITMENT EMPHASIZES SMALL, NEW TO THE MARKET FIRMS, IRAQIS ARE LIKELY TO BE MORE RECEPTIVE TO LARGE, WELL KNOWN U.S. FIRMS.

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#### ATHENS FOR RTDO

-- THE GOI GENERALLY LOOKS ASKANCE AT CONSULTANTS,
AND EMPLOYS THEM ONLY TO A LIMITED DEGREE AND ONLY IN
CERTAIN SECTORS (E.G., TRANSPORTATION,
AGRICULTURE, AND IRRIGATION); THUS CONSULTANTS ARE
LIKELY TO FIND A LIMITED MARKET.
-- IRAQI MARKET IS PROMISING BUT REQUIRES
PERSISTENCE. THUS FIRMS COMING TO IRAQ SHOULD
NOT EXPECT LARGE INITIAL SALES. SALES ARE LIKELY
TO TAKE AYEAR OR MORE TO CONSUMMATE IN MOST CASES. LESSON
LEARNED: RECRUITMENT SHOULD ACCOMMODATE ABOVE
SPECIAL IRAQI CONDITIONS TO EXTENT POSSIBLE.

6. REQUESTING GOI APPROVAL. WITH WATER RESOURCES TRADE MISSION, WE HAVE INSTITUTED PRACTICE OF GIVING FOREIGN MINISTRY DEADLINE CONFIDENTIAL

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FOR REPLY TO OUR NOTES REQUESTING APPROVAL OF TRADE PROMOTION ACTIVITIES. PRACTICE PRODUCED APPROVAL IN AN UNPRECEDENTED THREE WEEKS BEFORE ARRIVAL OF TRADE MISSION. DATE FOR REPLY (DECEMBER 31) WAS SET APPROXIMATELY ONE WEEK AFTER VISIT OF ADVANCE MAN SO THAT HE COULD HELP "SELL" TRADE MISSION TO GOI AND CLARIFY QUESTIONS. LESSON LEARNED: ALTHOUGH THIS PROCEDURE IMPOSES HEAVY LOGISTICAL BURDEN ON USINT STAFF TO MAKE MOST ARRANGEMENTS AFTER ADVANCE MAN HAS LEFT, PROCEDURE WAS SUCCESSFUL AND WE INTEND TO CONTINUE TO USE IT.

7. SCHEDULING. GIVEN STATE OF U.S. AND IRAQI RELATIONS, SCHEDULING FREQUENTLY ENTAILS A GREAT DEAL OF LAST MINUTE FLEXIBILITY. TRADE MISSION MEMBERS SHOULD BE PREPARED TO SPEND AT LEAST THREE OR FOUR WORKING DAYS IN BAGHDAD BECAUSE OF IRAQI PRACTICE OF NOT MAKING APPOINTMENTS UNTIL LAST MINUTE. LESSON LEARNED: WE CONTINUE TO RECOMMEND SCHEDULING THREE OR FOUR WORKING DAYS FOR BAGHDAD GIVEN USUAL SCHEDULING DIFFICULTIES.

8. ADVANCE MAN/MISSION DIRECTOR: ADVANCE MAN RETURNED AS MISSION DIRECTOR.
(OUR COMPLIMENTS TO BERT PLANAGAN, WHO DID AN EXCELLENT JOB IN THIS DUAL ROLE.) LESSON LEARNED: WE ENDORSE THE PRACTICE, WHICH GREATLY FACILITATED HANDLING OF TRADE MISSION.

	Margaret P. Grafeld	Declassified/Released	US Department of State	EO Systematic Review	22 May 2009
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